

the need to obtain and hold these markets. The mills of Canada are advantageously located across the country near both Pacific and Atlantic seaboards and consequently are in a position to make economical deliveries to any part of the world. Through its ability to meet the ~~severe~~ test imposed on it during the last five years of war, the Canadian pulp and paper industry has demonstrated qualities of adaptability and reliability which, despite international competition, should be an assurance for its future.

The United Kingdom and the United States are the greatest importers of forest products. It is possible that other great markets may develop in South America or even in China. The demand for paper which would result if literacy became general throughout China is one interesting field for speculation.

Before the war Canada's principal competitors in the United Kingdom were the Scandinavian countries. The Soviet Union was also becoming a serious competitor. Scandinavian countries have the geographic advantage of a shorter haul to the markets of the United Kingdom. Russia may use its enormous timber reserves as an essential factor in export trade and has the competitive advantage of production by the state.

The American Newspaper Publishers' Association in a survey published at New York on November 1, 1944, predicts that paper and paperboard, which are credited with implementing military advances in Europe and the Pacific, will remain scarce for at least several months after victory. Liberated countries, particularly France and Belgium, are making demands on Canada for paper to enable them to restore civil government and a free press. Canadian pulp and paper manufacturers are already furnishing a substantial amount of paper to Italy. The United States publishers predict little or no relief for the United States in the extremely tight situation by imports of woodpulp from Scandinavian countries until several months after the war in Europe ends. The occupying military forces are now supplying necessary paper in the liberated countries, but requests for paper may soon be channelled through the United Nations Relief and Rehabilitation Administration. Neither Norway nor Finland will be in a position to supply much market pulp for considerable time after the European war ends, and Swedish pulp will be in demand by many countries besides the United States. Consequently no immediate relief is seen from the continued demands of the United Kingdom and the United States for Canadian pulp and paper.

FOREST CONSERVATION

One of the biggest problems recognized as a definite threat to the future of the pulp and paper industry is rapid forest depletion. Estimates made during the 10 years preceding the war show that the annual rate of depletion of reserves of merchantable timber was 3,623,000,000 cubic feet. Of this amount, only 70% was used, while 30% was lost through fires and other destructive agencies. The sub-committee on the conservation and development of natural resources of the Advisory Committee on Reconstruction in its report submitted in September, 1943 (James Report) presented evidence that the future welfare and prosperity of Canada depend in no small degree on the wise management and use of the most extensive renewable natural resource - the forests. The production of forest products on a stable and continuing basis will prove a main factor in the national economy.

The forest fire problem is the most serious obstacle in planning a program for forest management. The James report recommends that the Canadian government give assistance to provincial efforts in preventing depletion by forest fire.

The sub-committee maintains that progressive forest management is based on adequate knowledge of rates and conditions of growth of timber stands and the best means of producing the greatest quantity of high-grade raw material in the shortest time at the lowest cost. This information was said to be available only through planned silvicultural research which, it was stated, has a long-term element and is considered a function of government.

Road improvements are needed for efficiency and economy in the operation and protection of the forest. Successful practice of intensive forest management requires adequacy of research, experimentation, a sufficient number of managing personnel and suitable economic conditions.